Calendar No. 560

107TH CONGRESS, *2d Session* | SENATE | REPORT 107–250

AUTHORIZING THE INTEGRATION AND CONSOLIDATION OF ALCOHOL AND SUBSTANCE ABUSE PROGRAMS AND SERVICES PROVIDED BY INDIAN TRIBAL GOVERNMENTS, AND FOR OTHER PURPOSES

SEPTEMBER 3, 2002.—Ordered to be printed

Mr. INOUYE, from the Committee on Indian Affairs, submitted the following

R E P O R T

[To accompany S. 210]

The Committee on Indian Affairs, to which was referred the bill (S. 210) to authorize the integration and consolidation of alcohol and substance abuse programs and services provided by Indian tribal governments, and for other purposes having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

PURPOSE

The primary purposes of the Native American Alcohol and Substance Abuse Program Consolidation Act of 2002 (S. 210) are twofold: to enable Indian tribes to consolidate and integrate alcohol, substance abuse, and mental health treatment services into one program to improve administrative, management, accounting effectiveness, and in the process create a simpler and more efficient service delivery system; and to recognize that tribal governments, as the local entities directly responsible for the well-being of their populations, can best determine the most appropriate policy goals and methods for achieving these goals in their communities.

BACKGROUND

Native American communities continue to be plagued by alcohol and substance abuse at staggering rates and this abuse and concomitant social pathologies are wreaking havoc on Native people across the United States. The incidence of alcohol and substance abuse among American Indian and Alaskan Native adults is far greater than that of the general population. Alcoholism occurs

among American Indian and Alaskan Natives at a rate that is 579% greater than the general population. Deaths due to alcoholism occur at a rate that is 440% higher than that of the general population.

Similarly, alcohol continues to be an important risk factor associated with the top three killers of American Indian and Alaskan Native youth—accidents, suicide, and homicide. Based on 1993 data, the rate of mortality due to alcoholism among American Indian and Alaskan Native youth ages 15 to 24 was 5.2 per 100,000 which is 17 times the rate for whites of the same age.

Native Americans have higher rates of alcohol and drug use than any other racial or ethnic group in America. Despite previous treatment and preventive efforts, alcoholism and substance abuse continue to be prevalent among Native youth: 82% of Native adolescents admit to having used alcohol, compared with 66% of non-Native youth. In a 1994 school-based study, 39% of Native high school seniors reported having "gotten drunk" and 39% of Native children acknowledged using marijuana.

Alcohol and substance abuse also contribute to other health and social problems including sexually transmitted diseases, child and spousal abuse, poor school achievement and dropout rates, drunk-driving related deaths, mental health problems, general feelings of hopelessness and, too commonly, suicide.

In order to deal with the devastating affects of alcoholism and substance abuse in all communities, Congress has authorized and appropriated funds to many Federal agencies to address these problems. An informal survey made by committee staff identified approximately twenty (20) programs in seven Federal departments which tribes may access for the prevention and treatment of alcohol and other substance abuse.

Many of these programs and services are available to tribes, but even where tribes secure access to program funding from several different sources, the amounts are generally so low, and the auditing and reporting requirements so onerous, that it is simply not cost effective for a tribe to attempt to participate in the programs.

The Native American Alcohol and Substance Abuse Program Consolidation Act of 2002 addresses both the service needs of the Native population and the inefficiencies of the current programs by authorizing Indian tribes (hereinafter "Indian tribes" or "tribes" and shall refer to Indian tribes, tribal organizations, and/or tribal consortia) to develop and submit a single plan to a single Federal agency to consolidate the servicers currently available in an effort to discipline the distribution of program services.

The provisions of S. 210 mirror those of the highly successful Indian Employment, Training and Related Services Demonstration act of 1992, as amended, Pub. L. 102–477, which authorizes the integration of Federal job training and employment-related activities into one consolidated program.

Commonly referred to as the "477 program", Public Law 102–477 is widely recognized as one of the most successful employment training and economic development programs enacted for the benefit of Indian tribes. Based on the success of the original "477" experience, the Committee considers it viable to extend the program to other areas such as alcohol, substance abuse, and mental health services. Equally important, under "477" program authority, tribes

have the ability to tailor a program to address the specific needs of their communities, which increases effectiveness and satisfaction.

As enacted, the "477 program" was designed to provide Indian tribes with a mechanism to better leverage the wide variety of employment training programs, while minimizing administrative time, cost and expense, and reducing the burden of Federal paperwork requirements. By all accounts, the "477" program has been successful in achieving these objectives.[1]

S. 210 expands upon the "477" concepts and would authorize the integration of Federally-funded alcohol, substance abuse, and mental health services and programs which are well-suited for integration because it is common for these program funds to be awarded in small sums. In fact, it is not unusual for a tribe to receive a variety of Federal grants and program dollars, each involving different audit, reporting and management requirements.

SUMMARY OF MAJOR PROVISIONS

1. Overview and lead agency status

Operationally, the Native American Alcohol and Substance Abuse Program Consolidation act of 2002 largely tracks the framework of Pub. L. 102–477. S. 210 authorizes the Secretary of the Department of Health and Human Services (DHHS) to be the lead agent for purposes of coordinating alcohol, substance abuse, and mental health programs at the Federal level. The Secretary is the logical candidate to lead this effort as the Secretary is responsible for administering the great majority of Indian health programs through the Indian Health Service (IHS).

Because the Secretary also has considerable experience implementing the provisions of the Indian Self Determination and Education Assistance Act, as amended, the activities envisioned by S. 210 also logically fall under the Secretary's purview.

Last, the Secretary oversees the operation of key agencies within the DHHS which provide funding in the area of alcohol, substance abuse and mental health treatment, making it an ideal point of coordination for the consolidation program.

Though a representative of the Bureau of Indian Affairs testified at the Committee's October, 1999 hearing in favor of the Indian Health Service (IHS) assuming the role of lead agency for purposes of program integration, recently the Bureau of Indian Affairs (BIA) appears to be rethinking its position on the basis of its operation of the Indian Alcohol and Substance Abuse Program (ASAP). While ASAP plays an important role in addressing alcohol and substance abuse, the Committee believes that the BIA does not have institutional expertise in the area of mental health problems and, consequently, because a considerable number of the programs identified as important to Indian behavioral health care program services are located within the DHHS, the Committee believes that IHS should be the lead agency for implementation of S. 210.

[1] In 2000, Congress recognized the success of the "477 program" and expanded its scope to include actual economic development activities as an adjunct to its core mission of employment training. See Title XI, Pub. L. 106–568.

2. Definitions

A definition of "substance abuse" is included in the bill as amended in response to concerns expressed by Committee members that program monies consolidated under the bill could not be used to treat inhalant abuse, which is a growing problem among American Indian and Alaskan Native youth. It is the intent of the committee that funds used under this legislation be used to treat inhalant abuse where a tribe or tribal consortia determines such uses to be necessary.

Definitions of "automated clinical information system" and "Indian behavioral healthcare program" are also included in the bill as amended. The term automated clinical information systems refers to computer software and/or hardware specifically designed for use in a clinical health care setting. The term Indian behavioral health care program is defined to express the intent of the committee to include within the purview of this act all Federal programs and, necessarily, related Federal funding, for alcohol, substance abuse prevention, diagnosis and treatment and mental health analysis, counseling, treatment, support and related programs for Indians and Indian tribes.

3. Types of programs that are eligible for consolidation

Section 5 of the bill as amended addresses the different types of programs which may be included in plans for consolidation under this legislation. The predecessor bill authorized only those programs which are formula-funded. In the 106th Congress, the Committee was made aware that formula funding is rarely used to fund alcohol and substance abuse programs, and that the majority of funds used for these programs are provided through competitive grant or other programs. Accordingly, the Committee has amended the authorization in S. 210 to include grant programs and other types of funding that may be distributed for the treatment of alcohol, substance abuse or mental health treatment. The Committee intends that tribes have significant latitude in securing funding sources for inclusion in a consolidated plan.

Testimony from the IHS and BIA in the 106th congress indicated that both agencies were concerned with the provisions regarding the availability of grant funding and how tribes and tribal consortia might utilize the consolidation program. In October 1999, both agencies pledged to present a report to the Committee not later than February, 2000, which would address this issue and identify viable alternatives to the language of S. 1507, as introduced.

While a report was never submitted to the Committee, a feasibility study mandated by Title VI of Pub. L. 106–260 was provided to the committee in draft form which indicated that several programs that fall within the purview of Indian behavioral health care programs could be consolidated into a demonstration project. Such programs would therefore be candidates for consolidation under this legislation.

The Department has expressed concerns that certain program funding sources, such as the Substance Abuse and Mental Health Services Administration's (SAMHSA) Community Mental Health Block Grant and the Substance Abuse Prevention and Treatment

Block Grant, might need statutory amendments to work effectively with the S. 210 consolidation program.

The Native American Alcohol and Substance Abuse Program Consolidation Act of 2002 has been amended from prior versions to allow for inclusion of grant funding, as noted below, such as that which tribes receive from the SAMHSA.

In drafting Section 5, considerable thought was given to the provision which allows grant funds to be consolidated. The committee recognizes that without the inclusion of grant monies this program authority would be ineffective because the majority of monies available to tribes for the treatment of alcohol and substance abuse problems are distributed through grants.

The Committee does not intend that the enactment of S. 210 provide justification for the denial of grant applications submitted by tribes because the DHHS prefers that the funds not be consolidated. At the same time, the Committee desires to protect the integrity of the grant process. Accordingly, a tribe must still apply for and secure a competitive grant before it can include the grant funding in a consolidation plan.

Section 5 also accommodates the granting agency by allowing a consolidation where the plan to include grant funds is essentially the same as the requirements of the grant program. This allows some flexibility for the tribe but still requires conformity to the requirements of the grant program.

4. Initiation of program

Under the Native American Alcohol and Substance Abuse Program Consolidation Act of 2002, the Secretary is obligated to develop and implement the Interdepartmental Memorandum of Agreement (MOA) at the Cabinet level. This MOA will provide the framework for the implementation and operation of the consolidation program among relevant Federal agencies. The Committee does not anticipate that there will be any problem drafting and adopting this MOA as there is an existing model readily available.

Initially, the Committee expects that the departments of Health and Human Services, Interior, Justice and Education will cooperate in the development of the MOA. Eventually, each Federal department or agency which funds alcohol, substance abuse and mental health programs can be expected to be signatories to the MOA and to participate in a meaningful way.

The Committee expects that, similar to the MOA developed to implement Congress' mandate in Pub. L. 102–477, the MOA required by the Native American Alcohol and Substances Abuse Program Consolidation Act of 2002 will address the following issues:

1. Advising tribal governments regarding their eligibility to integrate programs and how they may develop and implement a tribal for consolidation of funds.

2. Procedures for the review and approval of plans, including time lines for their review and approval.

3. The agreement which will be used by tribes and Federal departments or agencies to govern their relationships under the program. It is anticipated that the agreement that is currently being used will provide guidance to the Secretaries who enter into the Memorandum of Agreement.

4. An expedited process for the review of waiver applications from tribes participating in this program. Additionally, it is anticipated that appeals from a denial will also be accelerated.

5. An agreement and procedure for the timely payment of funds to tribes participating in the program.

The Committee expects that the opportunity to access this program will be extended to all tribes that express a desire to participate.

5. Review and approval of tribal plans

Central to the success of this program is a well-though out, comprehensive plan to develop and implement programs in a consolidated manner. It is the belief of the Committee that Tribes can best determine where scarce resources will be used most economically and what type of services are most appropriate to serve their members. Accordingly, the Federal agencies that administer program funds which are authorized to be consolidated under this legislation are expected to give deference to tribal allocations of resources and program design.

The Secretaries are expected to allow tribes a great deal of flexibility in designing the plan which will be submitted pursuant to this legislation. Creativity in the use of multi-year plans, mix of services and innovative approaches to treatment should not be stifled. The primary objective of the Native American Alcohol and Substance Abuse Program Consolidated Act of 2002 is the reduction of the incidence of alcohol and substance abuse suffered by American Indians and Alaskan Natives.

It is clear that "mainstream" treatment approaches to treating these problems have not been effective and that tribal involvement in developing new and culturally appropriate services is needed. It is expected that the Secretary will keep this in mind when reviewing plans under the act. The Secretary should focus on the following when reviewing such plans:

1. Does the plan effectively address the purposes of the program, how those purposes meet Tribal goals to address the existing problems, and what is the projected effect the program is expected to have on individuals served?

2. Does the plan lay out an overall strategy for dealing with alcohol and substance abuse and mental health problems within the tribe's service area?

3. Does the plan integrate other available resources?

Where tribes or tribal consortia have integrated or have an intent to consolidate competitive grant programs, it is expected that Federal agencies will provide maximum flexibility program participants who are attempting to match grant requirements to tribal needs. The character of a grant program is, of course, relevant but, unless there is a statutory mandate, serious consideration should be given to allowing a Tribe whose plan does not match with the requirements of a grant to consolidate funds.

6. Waiver authority

As a part of the plan submission and review process, the bill provides that the tribe and Federal government review the plan and identify any rules, regulations, policies, procedures or underlying

statutory provisions which need to be waived in order to successfully implement the plan.

One of the purposes of this bill is to simplify Federal requirements pertaining to the operation of Federal programs. The Committee expects that unless a Federal requirement is central to the nature of the program involved, it should be considered an appropriate requirement to be waived under the authority provided.

7. Amendments made to S. 210 as introduced

During the business meeting at which S. 210 was approved, several amendments to the bill were made by the Committee.

Section 4 language regarding use of program funds for acquisition of technology by lease, license or purchase, or for training to use such technology, is intended to clarify that, in developing a consolidation program, tribes and tribal consortia are authorized and encouraged to utilize modern technological advances in computer hardware and software, communications and other electronic devices.

In the private health care industry, such advances have proven to greatly improve efficiencies in clinical practices, as well as in third party and Medicare/Medicaid billing. It is the intent of the Committee that S. 210 be interpreted to give tribal health facilities the widest latitude in adopting industry best practices, for the purpose of providing the highest quality health care to Indian people possible given the limited budgets on which most such facilities operate.

Similarly, Section 6 language regarding technology site assessments and plan descriptions of technology use and implementation are intended to encourage tribal health facilities to utilize, where appropriate, industry best practices for computer hardware and software communications and other electronic devices. It is the intent of the Committee for tribal health facilities and Federal agencies to, where appropriate, utilize the authorization granted under this legislation to develop modern, reliable and valid systems to improve the accountability, quality and continuity of the mental health and substance abuse programs serving Indian people, while at the same time more efficiently utilizing the funding received and the ability to bill third party providers and access Medicaid/Medicare system.

LEGISLATIVE HISTORY

S. 210 was introduced on January 30, 2001, by Senator Campbell for himself and for Senator Inouye, and was referred to the Committee on Indian Affairs. Senator Johnson was added as a cosponsor on February 13, 2001. On July 10, 2002, the Committee, in open business session, voted unanimously to favorably report S. 210 to the full Senate.

A predecessor bill to S. 210 (S. 1507) was introduced by Senator Campbell in the 106th Congress. The bill was reported out of Committee and in June 2000, passed the Senate. However that bill was never taken up by the House of Representatives.

When originally introduced in the 106th Congress as S. 1507, the bill designated the Bureau of Indian Affairs (BIA) as the lead agency for coordination and implementation. This initial designation was based on BIA operation of the Indian Alcohol and Substance

Abuse Program. However, all witnesses who appeared at a hearing held on S. 1507 in October 1999, recommended that the Indian Health Service be designated the appropriate, lead agency in which the coordination of this program should be housed. Therefore, when reintroduced as S. 210, the bill designated the Indian Health Service rather than the Bureau of Indian Affairs as the lead agency for coordination and implementation of the Native American Alcohol and Substance Abuse Program Consolidation Act of 2002.

Also, when originally introduced, S. 1507 provided only for consolidation of alcohol and substance abuse programs. However, testimony received at the October, 1999, hearing, as well as substantial submissions of written testimony and information brought to the Committee emphasized the need to expand the scope of the bill beyond merely alcohol and substance abuse.

Quite often, alcohol and substance abuse problems are symptomatic of or are triggered by other mental health problems. Without treating the mental health problem at the same time as the alcohol or substance abuse problem, the effect of treatment is limited. Accordingly, the Committee amended the bill to provide for the inclusion of mental health programs.

When reintroduced as S. 210, the bill provided for the expanded scope of programs eligible for consolidation, to include programs for the treatment of mental health problems as candidates for consolidation.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

The Act may be cited as the Native American Alcohol and Substance Abuse Program Consolidation Act of 2002.

Section 2. Statement of purpose

The primary purposes of this Act are to enable Indian Tribes to consolidate and integrate alcohol and other substance abuse programs, and mental health and related programs, and to recognize that Indian tribes can best determine the goals and methods for establishing and implementing mental health and alcohol and substance abuse programs for their communities.

Section 3. Definitions

This section contains definitions for Automated Clinical Information System, Indian Behavorial Healthcare Programs, Federal Agency, Indian Tribe, Indian, Secretary and Substance abuse.

Section 4. Integration of services authorized

The Secretary of Health and Human Services, in cooperation with the other appropriate heads of departments and agencies shall, upon the receipt of an acceptable plan from a tribe, authorize the tribe to consolidate Federally-funded Indian behavioral health care programs into a single, coordinated, comprehensive program. This will include utilizing, where appropriate, and automated clinical information system to better manage services, costs and reporting requirements. Additionally, Indian Tribes are authorized to use funds from a consolidated program to purchase, lease or license, or

provide training, for technology for an automated clinical information system.

Section 5. Programs affected

The programs that may be integrated include Indian behavioral health care programs under which Indian tribes are eligible for receipt of funds under a statutory or administrative formula, competitive or other grant program, or any other funding scheme. In the case of grant funding, a tribe must obtain permission to consolidate programs from the agency that is awarding the grant or, in the alternative, tailor its reporting structure closely to the reporting required by the grant program.

Section 6. Plan requirements

The requirements for an applicant tribe under this Act are to: identify the programs to be integrated, consistent with the purposes of this Act; describe a comprehensive program strategy, including identifying programs available on and near the relevant tribe's service area and technology assessments; how the services are to be integrated, delivered and budgeted, including the implementation of an automated clinical information system, if used; develop a consolidated budget; identify the agencies involved in integrating the programs; identify any statutory provisions, regulations, policies or procedures that the tribe believes need to be waived; and be approved by the appropriate tribal governing body.

Section 7. Plan review

In reviewing the plan the Secretary is to consult with the other Federal agencies providing funding and with the tribe. The parties shall identify any waivers necessary to enable implementation of the plan. Affected agencies shall have the authority to provide waivers, unless the affected agency determines that such a waiver is inconsistent with the purposes of this Act.

Section 8. Plan approval

The Secretary shall have 90 days after the receipt of a tribe's plan to approve or disapprove the plan. If the plan is disapproved, the tribal government shall be informed, in writing, of the reasons for the disapproval and shall be given an opportunity to amend its plan or petition for a reconsideration of the Secretary's decision.

Section 9. Federal responsibilities

Paragraph (a) provides that within 180 days following the date of enactment of this Act, the appropriate Secretaries shall enter into an interdepartmental Memorandum of Agreement providing for the implementation of the plans authorized under this Act. The lead agency under this Act is the Indian Health Service. The responsibilities of the IHS will include: the development of a single report format to be used by a tribe to report on the activities undertaken by the plan and on all plan expenditures, and the development of a single system of Federal oversight for the plan, including the provision of technical assistance to tribes and convening of a meeting not less than two times during each fiscal year between the affected Federal agencies and tribes and tribal organizations.

Paragraph (b) provides that the single report format shall be developed by the Secretary of HHS and should contain information that will allow a determination that the tribe has compiled with the requirements incorporated in its approved plan.

Section 10. No reduction in amounts

In no case shall the amount of Federal funds available to a participating tribe involved in any project be reduced as a result of the enactment of this Act.

Section 11. Interagency fund transfers authorized

The appropriate Secretaries are authorized to take such action as necessary to provide for interagency transfer of funds otherwise available to a tribe.

Section 12. Administration of funds and overage

Program funds shall be administered to allow for a determination that funds from specific programs are spent on allowable activities; however, tribes are not required to maintain separate records tracing any services or activities conducted under approved plans to the individual programs under which funds were authorized. All administrative costs may be commingled and participating tribes shall be entitled to the full amount of such costs.

Section 13. Fiscal accountability

Nothing in this Act shall be construed to interfere with the ability of the Secretary to fulfill his responsibilities for the safeguarding of Federal funds.

Section 14. Report on statutory and other barriers to integration

Within two years after the date of enactment of this Act, the Secretary shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives on the implementation of this program. Within five years after the date of the enactment of this Act, the Secretary shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives on the results of the implementation of the program, which identifies statutory barriers to the ability of tribes to more effectively integrate their mental health programs and services.

Section 15. Assignment of Federal personnel to State Indian alcohol and drug treatment programs

Any State with an alcohol and substance abuse program targeted to Indian tribes shall be eligible to receive, at no cost to the State, such Federal personnel assignments deemed appropriate to help insure the success of such program.

COST AND BUDGETARY CONSIDERATIONS

The cost estimate for S. 210 as calculated by the Congressional Budget Office, is set forth below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 30, 2002.

Hon. DANIEL K. INOUYE,
Chairman, Committee on Indian Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 210, the Native American Alcohol and Substance Abuse Program Consolidation Act of 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Eric Rollins.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 210—Native American Alcohol and Substance Abuse Program Consolidation Act of 2002

CBO estimates that implementing S. 210 would cost about $600,000 in 2003 and less than $500,000 annually after that, assuming appropriation of the necessary funds. The bill would permit Indian tribes to consolidate alcohol and substance abuse programs that are currently funded through a number of federal agencies.

Under S. 210, tribes would submit plans to the Department of Health and Human Services (HHS) for approval. HHS would approve or reject plans after consulting with the federal agencies that would be affected. During this approval process, these agencies would be able to waive statutory and other requirements to enable tribes to implement their plans. CBO estimates that the costs of approving plans, monitoring their implementation, and providing technical assistance would cost about $600,000 in 2003 and $350,000 annually in later years.

S. 210 also would require HHS to submit reports on the bill's implementation within two and five years of enactment. CBO estimates that these reports would each cost less than $100,000. The additional costs of S. 210 would be borne by the Indian Health Service, the lead agency for the bill's implementation.

Enacting S. 210 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. This bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. By allowing tribes to consolidate programs for behavioral health care, including substance abuse, the bill would provide tribes with greater programmatic flexibility.

The CBO staff contact for this estimate is Eric Rollins. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY AND PAPERWORK IMPACT STATEMENT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill to evaluate the regulatory and paperwork impact that would be incurred in carrying out the bill. The Committee has concluded that S. 210 will reduce regulatory or paperwork requirements and impacts.

EXECUTIVE COMMUNICATIONS

A copy of a letter from the Department of Health and Human Services (DHHS) dated October 18, 2001, is set out below.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, October 18, 2001.

Hon. DANIEL K. INOUYE,
Chairman, Committee on Indian Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Health and Human Services (HHS) on S. 210, the "Native American Alcohol and Substance Abuse Program Consolidation Act of 2001", and S. 214, the bill to elevate the position of Director of the Indian Health Service within HHS to Assistant Secretary for Indian Health.

S. 210, the "Native American Alcohol and Substance Abuse Program Consolidation Act of 2001"

S. 210 would permit Indian tribes to consolidate substance abuse prevention and treatment and mental health funds that they are eligible for under formula and competitive grants and other programs, according to a plan approved by the Secretary. It would not provide for consolidation of programs providing specific guaranteed packages of health care benefits to identifiable individual beneficiaries, such as Medicare, Medicaid, and the State Children's Health Insurance Program (SCHIP).

In general, the Department supports the principle that Indian tribes best know how to meet the needs of their members through alcohol and substance abuse prevention programs. We also have no objection in principle to allowing tribes to consolidate programs addressing substance abuse and mental health problems where appropriate, consistent with program intent and for the purposes of achieving administrative efficiencies. However, we have some concerns about provisions of S. 210 which we would need to work with the Committee to resolve. For example, we are concerned about how the distribution of funds authorized and appropriated under existing competitive or formula grant authority could be affected.

The Department is currently preparing, in compliance with recent amendments to the Indian Self-Determination and Education Act, a feasibility study for possible demonstration projects on self-governance. The study will address tribes' operation of substance abuse prevention and treatment activities, including consolidation of funds awarded under separate programs. Completion of the feasibility study (currently projected to be by February 2002) will provide us with information that will better enable us to identify possible changes needed to S. 210 to prevent problems and disagreements that could arise in implementing the contemplated consolidation program. The Department, therefore, would prefer that the committee delay action on S. 210 until we have completed work on the study. At that time, the Department will provide its views and looks forward to working with the Committee to address any substantive concerns with S. 210.

S. 214, to elevate the position of IHS Director to Assistant Secretary

S. 214 would elevate the position of Director of the Indian Health Service within HHS to Assistant Secretary for Indian Health. The Department is currently in the process of reorganizing and has not finalized its restructuring. We therefore have no position on this bill at this time.

Thank you for the opportunity to provide the Committee with the Department's views on these bills. We look forward to working closely with your Committee on these important issues.

We are advised by the Office of Management and Budget that there is no objection to the transmittal of this report from the standpoint of the Administration's program.

Sincerely,

TOMMY G. THOMPSON.

CHANGES IN EXISTING LAW

In compliance with subsection 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill are required to be set out in that accompanying Committee report. The Committee finds that enactment of S. 210 will not result in any changes in existing law.

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